

Road Impact Fee Study Update

Gallatin County, Montana

Prepared For:

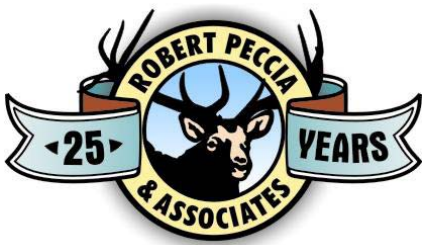
Gallatin County Commissioners

In Association With:

Gallatin County Road & Bridge Department

Gallatin County Planning Department

Gallatin County Attorney's Office



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Helena, Montana

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Executive Summary

This Road Impact Fee Study Update is intended to serve as a guiding tool for Gallatin County to deal with the impacts that growth is having on the County roadway system. Gallatin County has implemented a road impact fee on new land subdivisions dating back to 1995. During that year, a detailed, in-depth study of road and fire impact fee assessments was completed by James Duncan and Associates. The study, titled County Road and Fire Impact Fee Study, was eventually adopted by the Gallatin County Board of County Commissioners and served as the basis by which road and fire impact fees were assessed within the county jurisdictional limits. The road impact fee policy currently in place became effective May 1, 1997.

Regarding road impact fees, current processes allow for the assessment based on two different methods. Method number 1 is based on a flat rate assessment of \$1,837 per lot or parcel (subject to an annual inflation adjustment utilizing the Consumer Price Index). Method number 2 allows for a subdivider to prepare and submit an independent fee calculation study for a proposed development prepared by qualified professional traffic engineers and/or economists. The availability of two different methodologies has resulted in confusion and conflict as developers take their project through the development review process. Also, there is some that suggest the current methodologies are antiquated and do not accurately reflect the true impact that a new development, and its subsequent traffic, has on the County road system.

Robert Peccia & Associates, a civil engineering firm located in Helena, Montana, was retained to complete this Road Impact Fee Study Update for Gallatin County, with the fundamental goal of developing a single road impact fee assessment methodology that Gallatin County, developers, and residents contemplating new land subdivisions and land use changes can utilize to arrive at an equitable road impact fee. This methodology is to rely on sound engineering data and accepted traffic engineering principles, and result in assessments that mitigate the true impact of a land use change to the County's road system.

Under current laws and regulations pertinent to Gallatin County, the only two categories of land use that developers are required to divulge during the subdivision process are "residential" and "commercial". The methodology contained herein relies on almost thirty different land use categories, and subsequently incorporates thirty different road impact fee calculations. **This new methodology can only be utilized if Gallatin County implements countywide zoning requirements and/or a countywide building permit process.** Until which time this happens, there is no mechanism to implement and/or enforce the new methodology of collecting road impact fees as presented in this document. **The exception to this is the two land use categories of "residential" and "commercial".** Revised calculations for road impact fees for these two categories, as presented in this document, can be utilized in future land development projects pending adoption by the Board of County Commissioners. These two categories amount to a road impact fee of **\$3,467 for a residential lot** and **\$4,378 for a commercial lot**. These assessment values, although larger than the amounts currently in place, are reasonable given the large amount of growth currently being experienced in the County and the extensive infrastructure needs of the County roadway system.

It must be recognized that if and when countywide zoning and/or a countywide building permit process is implemented, care must be taken to assess land developers for the road impact fee. It is suggested that at the time of initial land subdivision (or individual land use changes) that assessments be made based on the two broad categories of “residential” and/or “commercial”. Once lots are sold, and individual property buyers divulge their exact plans for the property through the building permit process, the difference between the amount initially collected and paid by the developer and the total amount contained in the revised methodology for the exact land use should be collected.

Another matter that warrants further evaluation is that of construction traffic impacts to the roadway system. Studies completed by the University of California (Berkley), the University of California (Davis) and the Kansas Department of Transportation have shown that heavy truck traffic causes considerably more damage to roadways than conventional passenger cars. One study estimated that the impact of construction truck traffic on its local roads, based on various vehicle weights, axle loads and number of trips, resulted in construction traffic having a 20.1% impact over and above that of conventional passenger vehicle traffic. Some communities do assess a “premium” on road impact fees for businesses that generate construction truck traffic. This premium is only assessed in those jurisdictions that having a building permit process in place. In no case did the research find communities that assessed a “premium” on residential or commercial development usage.

There is no data available that supports increasing residential or commercial road impact fees to account for the temporary increase in construction traffic associated with the building of a home or commercial entity. The available data does suggest that, if a building permit process is established, that a “premium” could potentially be placed on the road impact fee for the types of businesses that are construction related (i.e. home builders, gravel suppliers, concrete providers, etc.). The premiums have been anywhere from 0.50% to 20% of the normally expected road impact fee contribution. It is advisable that Gallatin County explore this “premium” assessment for construction related traffic if and when the County moves towards a building permit system.

Finally, it is prudent to adjust the road impact fees described herein periodically to account for inflation and other rising costs. At a minimum, the calculated impact fees contained in this *Road Impact Fee Study Update* should be subject to an annual inflation adjustment utilizing the Consumer Price Index.